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Determinants And Satisfaction of Life Insurance Consumption In India- A Comparative Study Between Ranga Reddy District In Telangna And Nanded District In Maharastra

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Introduction

Insurance is a contract between the policy holder and the insurer such that the insurer company guarantees any event in the insurance range and in return, the policy holder should continuously pay a fee for the so-called insurance (Insurance services are in definition intangible and according to the declarations; they are promises and contracts held by a selling median to the customer which requires making trust between the seller and the customer from the initial point of the contract. It is important to mention that service providers are very effective in the segments of selling insurance. The need for insurance arises only when there is uncertainty and that uncertainty cannot be predicted by human comprehension. Such situations arise in our life and also in business transaction. The concept of Insurance might have come in when the loss could not be withstood. The loss is not of one's own creation but because of forces which are beyond control. Man's instinct to survive has moved him to devise appropriate means of dealing with hazards. Insurance takes the first position in such a move. Insurance is based on the fundamental principle of spreading the risk and the wisdom of preparation in the 'prosperous present' for the needs of an 'uncertain future'. With the growth of civilization and of international trade, insurance of property was thought of earlier than life insurance. Insurance provides security against the inherent uncertainties of human life. The aim of insurance is to protect the owner from a variety of risks which he anticipates.

The fundamental function of insurance is to shift the loss suffered by a sole individual to a willing and capable professional risk bearer, according to a method of spreading over a large number of persons a possible financial loss too serious to be conveniently borne by an individual. Thus it serves a social purpose, it is a social device whereby risks of the individual may be combined in a group and thus made

more certain, small periodic contribution by the individuals providing a fund out of which those who suffer small losses may be reimbursed.

From the viewpoint of the customers about the goods and services of the company. Being confident about the quality of the quality offered in services for the insurance company is very critical leading to the surveillance of the company. There should be an obvious concept of quality in order to understand the concept of one services quality. Quality is defined as preparedness of the services or goods for the user which requires design quality, accordance, accessibility and suitability of the location of presenting services. The international standards institute has defined "quality" as 'all of the properties/specifications of a product/service which have the ability of satisfying customers' need. Customers evaluate services quality by comparing what they expect/predict with what the services presenter practically offers. Therefore, services quality may be defined as the difference between customers' expectations from the services and their understanding of the real performance of the services. Customers evaluate services quality from five various dimensions, that is, assurance, empathy, reliability, responsiveness and tangibility.

Life Insurance is a financial cover for a contingency linked with human life, like death, disability, accident, retirement etc. Human life is subject to risks of death and disability due to natural and accidental causes. When human life is lost or a person is disabled permanently or temporarily, there is loss of income to the household. Though human life cannot be valued, a monetary sum could be determined based on the loss of income in future years. Hence, in life insurance, the Sum Assured (or the amount guaranteed to be paid in the event of a loss) is by way of a ‘benefit’. Life Insurance products provide a definite amount of money in case the life insured dies during the term of the policy or becomes disabled on account of an accident.

Primarily, anyone who has a family to support and is an income earner needs Life Insurance. In view of the economic value of their contribution to the family, housewives too need life insurance cover. Even children can be considered for life insurance in view of their future income potential being at risk.

REVIEW OF LITERATURE:

1. Mmakgabo and Athenia (2022) examined the supply side influencing aspects of life insurance demand in the context of BRICS nations. The study adopted panel data technique. The study found that, income, inflation, unemployment and interest rates revealed negative effect on life insurance demand. In contrast, economic growth and freedom variables have positive association with life insurance demand in BRICS countries. The study suggests more deregulation of financial system which further improves financial freedom.

2.Dhaval Nakum (2021) analyzed the influencing aspects of life insurance consumption in Ahamedad city with sample size of 290 respondents. The study used chi-square test. The empirical study revealed that educational background, occupation and annual income are significant demographic variables have positive association with life insurance and where age and consumption of life insurance has no relationship.

3.Shaik Chabu Firoz and Dr. Krishna Banana (2021) aimed to measure the customer perception towards Life Insurance Corporation of India (LIC) in Ongole City with sample size of 150 policyholders. The study adopted Chi-square test and revealed that, well known agent, tax exemption, savings and future investments are top factors affect the policyholders behavior towards purchase of life insurance in the Ongole district.

4.Chitra & Nandhan kumar. (2020) opined that transformation of health insurance in India should be done in three aspects such as accessibility, cost and quality. The study also observed that Health insurance entities are moving towards complex benefit designs to lower risks and improve their bottom lines through offering innovative products to by adding new segments population.

5.Rajendran & Sathyakala (2020) measured the satisfaction level of customers in the life insurance policies in the district of Namakkal of Tamilanadu State with sample size of 150 policy holders. The study found that, educational qualification

and monthly income are found to be strongly associated with policy holder's satisfaction. The study found that, customers are highly aware about insurance plans and easy of accessibility through online. The majority of policy expresses difficulty in legal formalities in documents, undue favourism in employees, poor customers deals, high interest rates on loans are some challenges facing by life insurance policyholders in Namakkal district.

6.Radler Katharina et al (2020) have done an exploratory study on the buying motives of life insurances along with private pensions in emerging and developed nations in Romania and Austria. The study found that in Romania several more factors were affect the steps between having no intention, the intention and the decision to buy a life insurance than in Austria. The study found that, trust in insurance companies and the central role of the sales agents play significant role in life insurance consumption in both countries. However, in Austria it is a personal choice, if the customer wants to invest in life insurance, in Romania, it is a challenge related to the regulatory and economic perspective.

7.Simona, Dragos et al (2020) evaluated the effect of behavioral and socio-demographic factors on buying a life insurance policy with sample size of 1579 Romanian consumers. The study categorized determinates into five groups economic, socio-demographic, general behavioral, specific behavioral, and a self-constructed index of insurance knowledge. The study adopted logit regression models and revealed the association between the intention and decision for life insurance. The study also found that specific behavioral factors and insurance knowledge are highly significant for the decision to buy insurance in Roman.

8.Marzia Nomi & Md. Mahiuddin Sabbir (2020) examined attitude, religiosity, risk aversion motives, saving motives, and financial literacy on the life insurance consumption through Theory of Reasoned Actio. The study adopted convenience sampling tool and selected 315 respondents working in different public and private institutions and data was analyzed by structural equation model (SEM). The results revealed that attitude, subjective norms, risk aversion motives, saving motives, and financial literacy have a significant positive impact on life insurance purchase of while religiosity was found to have a negative impact.

9.Elangovan et al (2020) discussed the challenges faced by policyholder in the form of 7 P's marketing mix of the life insurance companies such as product, place, price, promotion, people, process and physical distribution. The study found that complexity of the products types, premium variations to similar products, suspension in claim settlement process are few challenges faced by the life insurance policyholders in India.

10.Bhuvaneswari, S.Tamilarasi (2019), evaluated the performance of Rural Postal Life Insurance (RPLIC) and its impact on the rural people. The study examined the awareness of public on insurance schemes, purpose of investing in RPLI, Services rendered related to the policy and claim settlement process. The sample size consists of 120 customers in Kanchipuram district. The study used factor analysis and chi-square test and revealed that good awareness and satisfaction among rural people on the RPLI insurance products and services in the kanchipuram district.

11.Shoaib Alam Siddiqui & Dr Stephen Das (2019) examined the efficiency of LIC and other private life insurance companies through Data Envelope Analysis (DEA) for the period of 2013-17. The study found that, the efficiency of LIC is relatively higher in the all-efficiency parameters compared to private insurance companies due to their differences in their size of operations and being new players in the industry. Besides, the study also observed superior performance of earlier private insurance companies compared to new ones.

12.Arun Vijay & V. Krishnaveni (2018) opined that customer satisfaction is main driving factor of growth of any customers through retaining existing customers and attracting new customers are low marketing cost and efforts. The study examined the customer satisfaction of policy holders in Ernakulam district of Kerala State. The sample size is 150 health insurance policyholders and tools adopted are chi-square test. The study found high level of satisfaction in private insurance policy holders than public companies and group insurance policy holders than individuals. This led acceptance of alternative hypothesis and rejection of null hypothesis. The study

investigated those customers satisfaction is reflected in the renewal of health insurance periodically.

13.Monica Bhatia & Alok Bansal (2018) explored the factors contribute for satisfaction of policyholders in health insurance in India. The sample size is 513 customers selected through non-probability convenience tool. The study used Principal Component Analysis (PCA) factor analysis. The study measured the factors in five components such as trust, competition, add one's, peace & coverage and customer responsiveness. The study found that, prompt claim settlement is high loaded factor and contributor of customer delightedness in health insurance.

14.Maya Kannan (2018) studied that satisfaction level of policy holder towards life insurance in Chennai City with sample size of 100 policy holders. The study adopted chi-square and ANOVA, multivariate analysis analyses. The study examined the relationship between gender and occupation with customers satisfaction. The ANOVA results support insignificant deviations in customer satisfaction as per gender and significant deviation as per occupation.

15.Ganesh Dash (2018) emphasized on the determinants of life insurance demand in the context of rural areas with sample size of 400 life insurance policy holders. The study adopted EFA and CFA technique along with multiple regression analysis. The study found that, except price of the policy rest of all factors (age, education, occupation, locality, income, gender and marriage) have positive relationships with demand for life insurance. The study found less demand for life insurance in the context of young generation and absence of specific policy of female. Therefore, the study suggested for designing customer specific policies for these segments.

16.Neha Shrivastava1 and Raminder Pal Singh (2017) opined that examined the relationship between Socio-demographic factors and attitude for life insurance which in turn affect the buying behavior of consumers towards life insurance in the context of Punjab State. The sample study is 500 consumers of Punjab. The study found that, age, occupation, education and income significantly affect purchase behavior of consumers towards purchase of life insurance in Punjab State.

17.Lin, Chaonan et al (2017) applied logistic regression model to examine the impact of financial literacy and financial advisors on life insurance participation in Taiwan. The empirical results of the study found that people with high financial literacy exhibit high interest towards life insurance purchase. Besides, advices of financial experts show positive association with life insurance consumption in Taiwan. The study also found that, age, gender, marital status, working status, and personal income are major affecting factors of life insurance demand in Taiwan.

18.Nurul & Sarah Margaret (2017) investigated the determinants of life insurance demand among policyholders in Kuala Lumpur, Malaysia with selected five major life insurance companies. The sample size consists of 259 individuals. The study analyzed the correlation between demographic variables, savings motives and financial literacy with life insurance consumption. The study adopted one way ANOVA and multiple regression analysis. The statistical results witnessed that demographic variables and saving motives are significantly related to life insurance demand while financial literacy has insignificant determinant.

19.Kaur, Amanpreet (2017) examined the effect of economic, socio-demographic and institutional factors (independent) on the life insurance demand (dependent, penetration and density) in India. The study period is 1994-2013. In the study in independent variables comprises of income, inflation, savings, interest rates, banking development, social security expenditure, education, life expectancy, dependency ratio, urbanization, political and legal factors, institutional factors and regional factors. The study adopted OLS, autocorrelation, residual, unit root test and multiple regression analysis. The study found that, income, savings, inflation, banking sector development, social security expenditure and life insurance agents are strong influencing factors of life insurance demand.

20.Satya Kumar Kolla (2017) analyzed the awareness level of policyholders and determinant of purchasing behavior of life insurance by policyholders in the both Telangana and Andhra Pradesh states. The study is both descriptive and exploratory in nature and selected 691 policyholders as sample size. The study adopted descriptive statistics, correlation, chi-square test and multiple regression. The study found that, money bank guarantee, risk coverage, clarity on the policy, premium rate

of the policy, retirement benefits, bonus return, payment convenience, family security, joint coverage, accidental coverage, medical benefit, children future purpose, assured return and extra bonus are major determinant of purchasing decisions. In contrast, the study observed that, social status and transparency are not major determinants.

21.Wadje Dnyaneshwar Shankar (2017) emphasized on the customer satisfaction, preferences, awareness and problems facing by policy holders of LIC in the Nanded district of Maharashtra. The sample size is 500 policy holders, the study adopted the chi-square test. The study found significant differences in awareness, preferences and satisfaction of customers towards insurance policies of LIC in the Nanded district of Maharashtra.

22.Bodla, Bhag & Bodla, Sumit. (2017). Examined the profitability 13 private life insurance companies with LIC for the period of 2007-16. The selected parameters of profitability are net premium, income on investment, Underwriting Income, ROA, Combined Ratio, solvency ratio and Net profit. The study adopted ANOVA and found significance of variance in profitability among insurance companies. The study revealed that, among the private sector life insurers, the average net premium for the last 5 year was found the highest in case of ICICI prudential followed by HDFC

23.Muthukrishnan & Senthil Kumar (2017) examined the impact of policyholder satisfaction on buying behavioral intention of policyholders towards Rural Postal Life Insurance (RPLI) Chennai city region. The service satisfaction is measured in selected four parameters such has proposal & communication process, payment process, policy administration & servicing and claim settlement process of RPLI. The study used simple random sampling technique and selected 174 rural postal life insurance policyholders. The study adopted t-test and ANOVA and multiple regressions. The statistical result found that buying behavioral intention of policyholders is highly influenced by payment process than other parameters and policyholder satisfaction factors are positively influenced by behavioral intention

24.Subashini & Velmurugan (2016) measured the satisfaction of policyholders in case of life insurance in Coimbatore district in Chennai with sample size of the 300 policyholders. The study disclosure the ranks assigned by the customers based on

the satisfaction level. The study found that, investors have given high satisfaction in the parameters of grievance redressal mechanism, mass advertisement, posters and pamphlets, information broacher and policy processing time. The investors have given lowest satisfaction in the aspects of terms and conditions definition, timely issue of policy documents and premium reminder notice etc.

25.Mouna Zerriaa and Hedi Noubbigh (2016) endeavored to find the determinants of life insurance consumption in the Middle East and North Africa region. The sample size consists of 17 countries for the period of 2000–2012. The study measured insurance demand in the parameters of insurance density and insurance penetration. The study found that life insurance consumption increases with income, inflation and interest rates, life insurance sales and security expenditures. Besides, life expectancy and educational attainment appear to stimulate life insurance demand in contrast young dependency led to decrease in insurance consumption. The study also found low insurance consumption in Muslim countries.

26.Meghdoot Ghosh (2016) examined the effect of service quality on customer perception on ICICI life insurance company in Kolkata and Howrah of West Bengal State with sample size of 75 customers. The study measures the gap between expectations and perceived service quality by customers form ICICI life insurance company through five dimensional SERVEQUAL model developed by Parasuram in 1988. The study found that, customer gap is negative in all five dimensions and higher in case of reliability which indicates that huge service gap in meeting customer expectation by the ICICI life insurance company in the selected region.

27.Chakrabati et al (2015) found that poor involvement of government in the provision of health care services rise burden on households financing their health care expenditure through private health insurance companies. The study explores the effect of household assets, access to media demographic and caste profile of households in the National Family Health Survey-III. The study investigated that richer households have a higher enrollment into health insurance. The study also found limited accessibility of community-based health insurance (CBHI) schemes particularly SC and Muslim communities.

28.Kaur, Gagandeep & Vigg Kushwah, Silky. (2015) measured and compared the satisfaction of insured people on both public and private sector health insurance companies. The sample size of the study is 250 insured. The study adopted total correlation technique to test the questionnaire consistency and found positive. The study also adopted independent t-test to measure the variation in customer satisfaction between public and private health sector and found insignificant deviations in customer satisfaction. The sample is selected through stratified convenience sampling technique.

29.Hussen shambachew (2015) examined the how customer satisfaction leads to customer loyalty in the context of policy holders of health insurance in the Ethopia. The study adopted SERVEQUAL technique, regression analysis and sample size is 130 members. The study found that high customer satisfaction leads customer's loyalty which in turn develops the business. The study also revealed that, reliability, responsiveness, assurance and empathy are high critical dimensions where tangibility is less insignificant determinant of customer satisfaction and loyalty.

30.Eric Effah and Hadrat M Yusif (2015), attempted to find the determinants of life insurance demand in the Ayeduase-Kumasi community of Ghana with sample size of 256 policy holders. The study adopted Logistic regression modeling technique and found that Income, higher education, number of dependents, employment perception about insurance firms improved insurance demand. In contrast, age has negative link with the insurance consumption. Number of dependents was statistically significant at 1 percent Age and Type of employment were both significant at 5 percent while income and education level were significant at 10 percent confidence levels.

31.Shyamasree Saha and Anirban Dutta (2015) examined the 336 policyholders perceptions on the quality of services of life insurance in the eight states of nation through using SERVEQUAL. The study used PCA method and found that, dependable receptiveness, physical appearance, service performance, service commitment, consistency, understanding customer needs and impression of

customers are major factors affect the customers perceptions towards quality of services in insurance sector.

32.Aslam, Nazneen & Mubeen, (2015), adopted SERVEQUAL model using seven parameters- tangibility, reliability, price, responsiveness, technical quality assurance, and empathy to assess service quality of insurance companies in Sultanate of Oman. The results witnessed that huge gap between customers perception and quality of services of life insurance companies. The study also supports that there is an association of demographic factors and perception of service quality dimensions and customer expectation.

33.Irulappan, I., & Bincy, P. M. R. (2015) examined the effect of reforms on the service quality level of life insurance companies in India. The study also examined the effect of service quality on customer loyalty. The sample size consists of 50 policyholders of life insurance. The study found that, risk coverage, tax benefit, meeting retirement plans and investment tools are major perception of policyholders. The study also observed positive effect of insurance sector reforms on the performance of LIF compare to private sector and service quality.

34.Rani Lakshmi S (2014) aimed at finding the determinants of service satisfaction among policyholders of LIC in Coimbatore district with sample size of 359 urban and 241 rural policyholders. The data analysis was done with statistical tools of variance factor analysis, SERVEQUAL gap analysis, Chi Square Analysis, and multiple regressions. The study found that LIC website and electronic payments facilities gained customer attention, even though, still majority of respondents still depends on insurance agents. The study also found that, responsiveness and reliability are two dimensions should immediately focus by LIC in maximize customer satisfaction.

35.Hossein Vazifehdust & Sahel Farokhian (2013) analyzed the relationship between service quality and satisfaction of policyholders in health insurance sector. The study measures the service quality in the aspects of accessibility, reliability, experts' behavior, internet facility, package of product, companies' commitment and validity and companies' responsiveness. The statistical results of the study found

that, except internet facility rest of all the service quality variables have significant positive relationship with customer satisfaction in health insurance policies.

36.Sunayna Khurana (2013) analyzed the gap between Customer expectation & customer perception in the Life insurance industry in Haryana State with sample size of 200 policyholders selected quota sampling method the study adopted factor analysis and Paired T-test was used to test the hypothesis of service quality gap. The statistical results support that difference in perception and expectation is highest in case of competency and lowest in case of reliability. Therefore, the study suggests for optimization of service quality with innovative strategies.

37.Sharmila, B (2012) analyzed the customer preferences and impact of customer satisfaction on customer loyalty and corporate image in the context of LIC and private life insurance companies. The sample size is 700 policyholders of both sectors. The study adopted descriptive statistical, one-way ANOVA, factor analysis and correlation analysis. The study opined that, service delivery, convenience and quality of service are major determinants of customer satisfaction of private life insurance companies.

38.Kakar Preeti and Rajesh Shukla (2010) opined that financial security is still responsibility of individual in the emerging economies (India) while government role is limited. The study opined that life insurance is one of the vital financial security measures in the country. The study adopted logistic regression and revealed that, high prosperity, awareness and optimism in the insurance responses than non-insured people. The study also found that education and occupation are major determinants of life insurance participation in the country. The insured people are high optimistic towards their future income and savings which cause more participation.

39.Siddiqui, M., Sharma (2010) constructed a six-dimensional service quality model comprises of assurance, personalized financial planning, competency, corporate image, tangibility and technology. The study adopted structured equation method. The study found that, exploratory and confirmative factor analysis. The study found that, competence and personal financial planning are strongly influence

factor satisfaction of policyholders with agents, assurance is another factor satisfaction with agents. Besides, competence along with corporate image is major factors of satisfaction with company.

40.Sibel Çelik Mustafa Mesut Kayali (2009) investigated the influencing factors of demand for life insurance in 31 selected European countries during the period of 2000-2006. The statistical tools are OLS method. The results as a result found that income is major driver of life insurance consumption in the region. Besides, population and income on demand for life insurance is positive in contrast education level and inflation had shown negative effect.

41.Chawla and Singh (2008) investigated the quality factors of services affect the customer satisfaction levels of the policyholders of general insurance. The sample size of the study is 210 policyholders of northern India. The study applied factor Analysis and revealed that the accessibility factor has relatively high influencing factor than reliability and assurance factor products. The study found higher satisfaction of customers during pre-privatization compared to post period. This indicates insignificant impact of privatization on customer satisfaction.

42.Ghodeswar B.M. (2008) examined that better customer understanding, customized, fair price, offering good quality service, and high customer satisfaction, policy benefits, fringe benefits offered by the service provider, quality of service rendered and the companies have vital role in influencing customers' purchase decisions in life insurance. Good quality service ensures high customer retention and attracting new customers which ultimately leads to high growth of the business.

43.Daria Nesterova (2008) identified and investigated the impact of the determinants of life insurance demand in Ukraine and several other countries of the region. The study applied panel data analysis techniques for 14 selected countries for the period 1996-2006. The study found high level of insurance consumptions in the countries with higher life expectancy at birth, income level, old dependency ratio while financial development indicator, inflation and real interest rate shows negative impact on the life insurance consumption.

44.Goswami (2007) focused on the dimensions of service quality contributes for maximum customer satisfaction in the life insurance. The study selected 250 responses as sample through systematic sampling design and responses collected on SERVEQUAL scale on a five-point satisfied-dissatisfied scale. The study measured quality of services in the parameters of tangibility, responsiveness, reliability, empathy and assurance as independent variables and customer satisfaction as the dependent factor. The statistical results of multiple regressions revealed that responsiveness of service quality gave maximum customer satisfaction in the life insurance than other dimensions.

45.Li et al. (2007) examined that life insurance consumption among 30 OECD countries for the period between 1993 and 2000 by applying panel data analysis. The study found that income, number of dependents, literacy, financial development and degree of competition are positively associated with life insurance demand. In contrast, life expectancy, inflation, social security expenditure, real interest rates negatively affected life insurance consumption in selected OECD countries during the study period

46.Mugesh (2007) investigated and compared the determinants of purchasing factors of life insurance and quality of services provided by both public and private sector life insurance companies in Kerala. The study selected 510 policyholders as sample size through non-probability sampling technique. The study adopted t-test, ANOVA and factor analysis. The study found that brand image, premium rates, refunding of surrender policies, risk coverage and tax benefits are strongly influencing factors of life insurance purchasing. The study also found that, in service quality dimensions reliability, assurance and responsiveness have significant impact on the service quality where tangibility and empathy have insignificant effect.

47.Tsoukatos and Rand (2006) found that SERVEQUAL's dimensionality is not confirmed. A non-tangibles & tangibles structure exists insurance industry of Greek country. The study also found that tangibles dimensions does not affect customer

satisfaction while word of mouth (intangible dimension) is an antecedent of customer repurchasing intentions and customer satisfaction does not directly influence the customer loyalty.

48.MHFW (2005) developed five approaches framework to promote health insurance in the country particularly vulnerable and rural people through government intervention. The proposed framework consists of five approaches such as communities, flexible financing, improved mgt through capacity rise, innovation in HRM and monitor progress against standards.

49.Hwang, Tienyu, and Simon Gao (2003) examined the determinants of life insurance consumption in emerging economies in the country of China. The study particularly emphasized that economic reforms positively affected the life insurance consumption in China. The study also found that education and development in social structure have positive effect on the life insurance consumption. However, the study did not find negative effect of inflation on life insurance consumption in China (mid of 1990s).

50.Thorsten Beck and Ian Webb (2001) have investigated the determinant of life insurance consumptions across 63 countries for the period of 1980-96. The study adopted panel data analysis technique. The study analyzed the three indicators of life insurance consumptions such life insurance penetration, density and life insurance premium to GDP ratio. The study found that banking sector development and education are significant contributors of life insurance consumption while inflation is pulling factor life insurance consumption. The study also found that income is weak predictor life insurance consumption.

51.Parasuraman, A Parsu et al (1988) constructed a SERVICE QUALITY model from the customer perception model in service sector with 10 dimensional aspects. These 10 dimensions consists of tangibility, reliability, responsiveness, communication, credibility, security, competence and courtesy. This is further grouped into five dimensions such as tangibility, reliability, responsiveness, assurance and empathy.

RESEARCH GAP:

The earlier research studies have focused on the different aspects of the life insurance aspects as witnessed by above literature. The studies focused on aspects such as perception on life insurance, satisfaction of policy holders, determinants of policy holders satisfaction , measuring the efficiency of life insurance companies, supply side and demand side influencing factors of life insurance consumption, risk attitude of policy holders, problems facing by the policy holders, profitability of insurance companies, comparative studies of public and private sector companies, preferences and awareness level of policy holders, buying behavior of policyholders, determinants of life insurance consumption in foreign countries, customer satisfaction and customer loyalty, impact of reforms on the insurance sector and relationship between socio and demographic factors with life insurance consumption. No study has found in assessing the determinant of life insurance consumption along with measuring the gap in the quality of services expected by policy holders and provided by life insurance companies in India in general and selected two districts in particular.

RESEARCH PROBLEM:

The insurance coverage of individual's life is an essential financial support to the dependents of the family. The insurance coverage in India is very low even post reforms period and gives big opportunity to the insurance companies to grab the potentiality of market. To grab market opportunities, they have to investigate the determinants of life insurance consumptions in India in general and in urban, semi-urban and rural areas particularly. This helps for expansion of business and to fetch many nations under insurance coverage. The helps to achieve the insurance inclusion which is one of the elements of financial inclusion of India. However, mere insurance coverage does not fetch new customers or retain existing customers, besides coverage, insurance companies have to emphasize the provision of quality services to policy holders which leads to high customer satisfaction and loyalty. Therefore, present study focused on the two elements such as identification of determinants of life insurance consumption and finding service quality gap between public and private companies, rural and urban areas and Ranga Reddy district and

Nanded districts. This study unique and develop the new line argument for designing policy holders' friendly life insurance policies at micro level.

OBJECTIVES OF THE STUDY

1. To study the growth and development of life insurance business in India
2. To study the demographic status of selected policyholders of life insurance
3. To investigate the determinants of the life insurance consumption from consumer point of view
4. To examine the satisfaction level of customers through measuring the quality gap between customer expectations and services provide by the life insurance companies (SERVEQUAL MODEL)

HYPOTHESIS

In the present study null and alternative hypothesis are formulated and examined through appropriate statistical tools on both determinants of life insurance consumption and customer satisfaction on services of life insurance companies.

Relating To Determinants of Life Insurance Consumption

Ho: There is no significant difference in determinants of life insurance consumption by policyholders as per demographical features (age, gender, occupation and income)

H_1: There is significant difference in determinants of life insurance consumption by policyholders as per demographical features (age, gender, occupation and income)

Ho: There is no significant difference in determinants of life insurance consumption by policyholders between Ranga Reddy and Nanded Districts

H_2: There is significant difference in determinants of life insurance consumption by policyholders between Ranga Reddy and Nanded Districts

Ho: There is no significant difference in determinants of life insurance consumption by policyholders between public and private sector life insurance companies

H_3: There is significant difference in determinants of life insurance consumption by policyholders between public and private sector life insurance companies

Ho: There is no significant difference in determinants of life insurance consumption between urban and rural policyholders of life insurance

H_4: There is significant difference in determinants of life insurance consumption between urban and rural policyholders of life insurance

Relating To policyholders' satisfaction on the services of life insurance companies

Ho: There is no significant difference in satisfaction of policyholders as per demographical features (age, gender, occupation and income)

H_5: There is significant difference in satisfaction of policyholders as per demographical features (age, gender, occupation and income)

Ho: There is no significant difference in satisfaction of policyholders between Ranga Reddy and Nanded Districts

H_6: There is significant difference in satisfaction of policyholders between Ranga Reddy and Nanded Districts

Ho: There is no significant difference in satisfaction of policyholders between public and private sector life insurance companies

H_7: There is significant difference in satisfaction of policyholders between public and private sector life insurance companies

Ho: There is no significant difference in satisfaction of policyholders between urban and rural policyholders of life insurance

H_8: There is significant difference in satisfaction of policyholders between urban and rural policyholders of life insurance

Research Methodology

DATA NATURE AND SOURCES:

Present study is based on both primary and secondary data. The secondary is used to analyzed the growth and development of life insurance sector in India. The primary

data in the study is used to find the determinants of life insurance consumption of selected policyholders in the two districts. The primary data is used to measure the satisfaction of policyholders regarding the services offered by life insurance companies.

The primary data from the sample respondents is collect through well structured questionnaire pertaining to the determinants and satisfaction of policyholders. The questionnaire consists demographic variables of policyholders, determinants of life insurance consumption and SERVEQUAL model questions for measuring gap between policyholders expectations and services of the companies.

SAMPLE SIZE:

The sample size for the present study is selected based on the population of the two districts as per the census of 2011. The population of Ranga Reddy district is 5296741, similarly, the population of Nanded district is 3361292 as per the census in 2011. The total population size 86,58,033.

The sample size is calculated through the formula and revealed that,

- Confidence level: 95 percent,
- Margin of Error: 5 percent
- Population Size: 86,58,033

RESULT: 385

The minimum sample size 385 or more measurements/surveys are needed to have a confidence level of 95% that the real value is within ±5% of the measured/surveyed value. But, in the present study 650 policyholders of life insurance companies for more reliability and reduce sample error. For the purpose of analysis, the total sample size is equally district between the two districts such as 325 from Ranga Reddy and 325 from Nanded district. In two district 325 responds should be from public sector and 325 from private sector insurance companies and 325. In two districts, 325 from rural and 325 respondents from urban areas.

SAMPLE AREA:

In present study sample policyholders are selected from two districts of two states, one is Ranga Reddy district from Telangana State and Nanded district from the

Maharastra State. No research study is observed in these two districts of two states in the past. This indicates geographical gap for the present study.

PERIOD OF THE STUDY: The study period is planned between 2021-2023.

STATISTICAL ANALYSIS: Present study uses the statistical techniques such

- Reliability Test
- ANOVA
- Independent sample T-test
- Factor analysis
- Percentage
- Averages
- Growth rates
- Frequency tables

Limitations of the Study

- The study is confined to only two districts of the two states and other districts are ignored
- The study is limited to study only determinant of life insurance consumption and other factors such as motives, preferences and perception are ignored.
- The study limited to only finding the gap in service expectations and provision by insurers and determinants of customer's satisfaction and loyalty are ignored.

SERVEQUAL MODEL:

The SERVEQUAL model is very popular technique used to measure the quality gap between customers expectations and service of the companies. This model is developed by Parasuram in 1988. Initially, it was measured in ten dimensions such as tangibility, reliability, responsiveness, communication, credibility, security, competency, courtesy, understanding customers and access. Thereafter, these dimensions are combined and simplified into five major dimensions representing the different aspects of the customer satisfaction level. The dimensions are

Tangibility: Physical facilities, equipment and appearance of personnel.

Reliability: Ability to perform the promised service dependably and accurately

Responsiveness: willingness to help customers and provide prompt service.

Assurance: knowledge and courtesy of the employees and their ability to inspire trust and confidence

Empathy: Caring, individual attention the firm provide its customers.

CHAPTERIZATION

CHAPTER I: INTRODUCTION (Conceptual framework and research methodology)

CHAPTER II: REVIEW OF LITERATURE

CHAPTER III: GROWTH AND DEVELOPMENT OF LIFE INSURANCE SECTOR IN INDIA

CHAPTER IV: PROFILE OF RANGAREDDY AND NANDED DISTRICTS

CHPATER V: DATA ANALYSIS AND INTERPRETATION

CHPATER VI: SUMMARY (FINDINGS-CONCLUSION-SUGGESTONS)

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